News Release
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[Unofficial Translation]

May 15, 2018

Dai-ichi Life Holdings Announces Results for the Fiscal Year Ended March 31, 2018

On May 15, 2018, Dai-ichi Life Holdings, Inc. (the "Company", President: Seiji Inagaki) announced its financial results for the fiscal year ended March 31, 2018. The following is a message from President Inagaki to our stakeholders.

1. Results for the Fiscal Year Ended March 31, 2018

- Promoting a multi-brand and multi-channel strategy in domestic market.
- Increase of Group adjusted profit (243.2 billion yen), dividends (50 yen per share) and stock repurchase (39 billion yen) to contribute to reach total payout ratio of 40%.
- On May 1, 2018 Protective closed its largest acquisition in its history.

Thank you for your continued support of Dai-ichi Life Holdings, Inc.

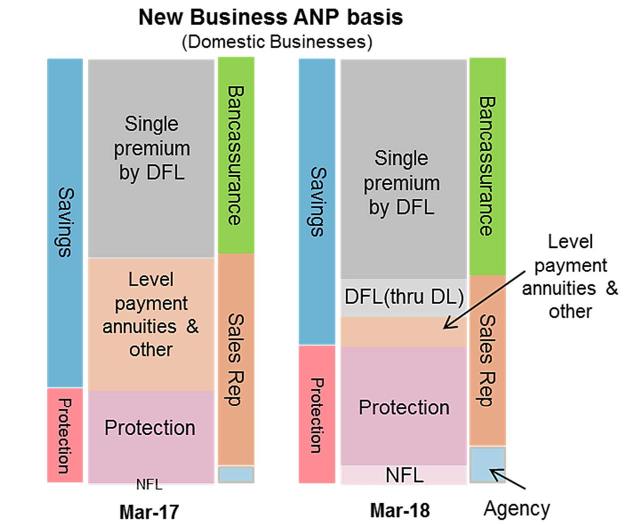
Upon release of our financial results for the fiscal year ended March 31, 2018, I would like to share the following main three points with our valued stakeholders.

First, in the domestic life insurance business we continued to promote a multi-brand and multi-channel strategy to address changes in the economic environment and customer needs.

Next, our Group adjusted profit, a yardstick for measuring shareholders returns, reached 243.3 billion yen. Moreover, we raised dividends to 50 yen per share (Maximum). Together with a stock repurchase of 39 billion yen, we expect to record total payout ratio of 40%.

Finally, on May 1, 2018 Protective closed an acquisition of individual life and annuity business of Liberty Life, the largest acquisition in Protective's history.

(Chart 1) Strategic Product & Channel Shift in Japan

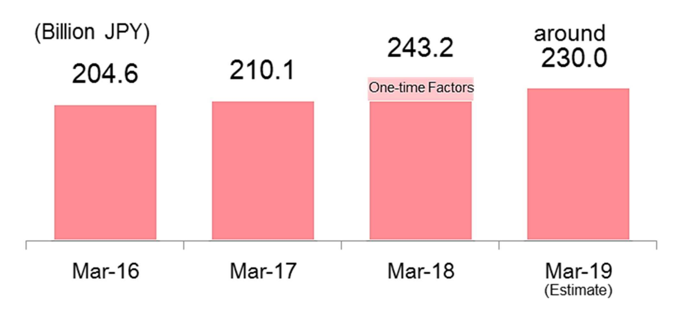


Dai-ichi Life's Value of New Business increased with shift to protection-type products

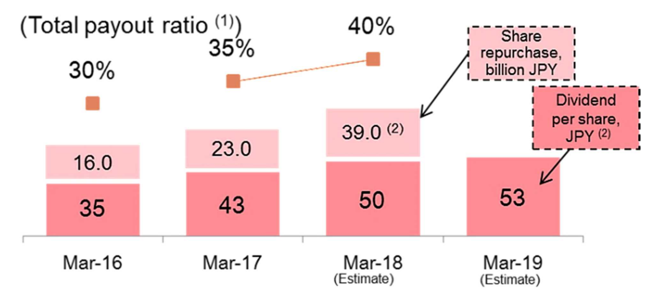
	Mar-17	Mar-18
Share (%) of protection-type products in new business ANP	41%	80%
Value of New Business (billion yen)	111	149

(Chart 2) Profit and Shareholder Return

Group Adjusted Profit



Total Shareholder Payout of 40% Expected



(1) Total payout represents percentage of shareholder payout relative to the basis of payment. The basis of ratios for fiscal years ended March 2016 is consolidated adjusted net income. Basis for fiscal year ended March 2017, 2018 and fiscal year ending March 2019 is Group adjusted profit.
(2) The 39.0 billion yen stock repurchase for the fiscal year ended March 2018 represents maximum amount resolved by the Board of Director on May 15, 2018.

I wish to highlight the following three points with respect to the Group's financial results.

First, Dai-ichi Life continued to strategically shift its product portfolio to protection-type products and our flagship products enjoyed favorable sales. Protection-type products accounted for about 80 percent of annualized net premium of new business through the fiscal year. Meanwhile, Dai-ichi Frontier Life increased sales volume by introducing new product features and launched new products in response to strong demand for savings type products. Sales activities by Dai-ichi Life's sales representatives for Dai-ichi Frontier Life products were fully carried out, and during the fourth quarter Neo First Life began distribution of insurance for business owners through agent channels. The strategic shift of products and distribution channels at our three domestic life insurance companies is being fully implemented in order to adapt to the environment. New business grew steadily in all overseas markets.

Second, consolidated revenues and profits were up year-on-year. In particular, Dai-ichi Life's net income increased by 45% compared to the previous fiscal year due to improvements in the financial and economic environment in foreign and domestic markets. Consolidated net income increased substantially by 57% due to one-time factors such as a share exchange gain on the Janus Henderson merger and a one-time increase in profit associated with the corporate tax rate reduction in the U.S.

Third, we forecast a decrease in revenues and profit for next fiscal year due to the absence of one-time factors. However, Group adjusted profit, which excludes one-time factors, is expected to increase to 230 billion yen from the run rate profit level of approximately 210 billion yen in fiscal year ended March 31, 2018. We also expect a 3 yen increase in dividends per share.

2. <u>New Mid-term Management Plan CONNECT 2020</u>

Leverage Dai-ichi Life Group's strengths to build stronger relationships with all stakeholders to provide products and services leading to improvement of quality of life and enhancement of corporate value.

On March 29, 2018 we released our new Mid-term Management Plan CONNECT 2020 covering fiscal years 2018-2020.

The life insurance industry is undergoing rapid change due to demographic changes and technological innovation. The needs of customers are diverse and demanding. We are in an intensely competitive market with new entrants from different industries.

We are seeking ways to leverage our core competencies built over a history of more than a hundred years, to build corporate value and stronger relationships with our customers, communities, business partners and group companies while also providing products and services that improve the quality of life of people with diverse lifestyles.

This concept of a stronger CONNECTION is at the center of our new medium-term management plan.

Management Objectives for CONNECT 2020

Driving innovation, enhancing enterprise risk management and promoting diversity and inclusion are important elements to support our growth under CONNECT 2020. By focusing on our core initiatives, we expect to reach a CAGR of 5-7% and a profit level of 250 billion yen by the end of fiscal year 2020. With the anticipated effects that will be realized in the post CONNECT 2020 time frame, we expect 5-7% growth to continue on in the mid- to long-term. We are aiming for profit levels of 300 billion yen on an organic growth basis.

	Indicators		Objectives
Group Management Objectives (Quantitative Targets)	Accounting Profit	Group Adjusted Profit	**250 billion yen** in FY2020
	Future Profit (Economic Value)	Group Value of New Business	**230 billion yen** in FY2020
	Indicators		**Targets for the Mid- to Long-term**
Group Mid- to Long-term Vision	Capital Efficiency	Average EV Growth (RoEV)	**8% average growth**
	Financial Soundness	Economic Solvency Ratio (ESR)	**170% to 200% range**

Domestic Life Insurance Business – Promoting multi-brand and multi-channel strategy

For the domestic life insurance business, our three domestic life insurance companies will not operate in isolation but will mutually coordinate distribution channels (multi-brand & multi-channel) to promote their products and services to increase the overall value of new business. At the same time, our efforts will be aimed at improving efficiency and deploying resources for growth going forward.

- <u>Product Development</u>

On March 22, we launched a new product named “JUST” based on the strategic direction explained in the New Mid-term Management Plan CONNECT 2020. By giving customers flexibility to combine products, “JUST” provides protection to precisely match each customer's needs. Leveraging our InsTech related know-how we have introduced a discount for submitting medical health check results. This way we want to cover not only people who are healthy but also customers who are conscious about investing efforts to improve their health.

In addition, we have added new functionality to our smart phone application “Kenko Daiichi”, distributed free of charge. Dai-ichi Life has a comprehensive collaboration agreement with five medical institutions such as the National Cancer Research Center. Through collaborative research of medical check-up results with such institutions, we have developed additional functionality to “Kenko Daiichi” application to visualize future risks of cancer, stroke, cerebral infarction, myocardial infarction, diabetes. This is the first service of its kind to be provided by a life insurance company in Japan.

- <u>Sales Channel Strategy</u>
  - Launched new products and services

In our sales channels, we improve the consulting capabilities of our Total Life Plan Designers to further expand sales of single premium savings-type products from Dai-ichi Frontier Life. Additionally, we are expanding our capabilities in the agency channel. We have started selling new products from Neo First Life targeting business owners through Dai-ichi Life’s agency channel. We are launching new products to address the changing needs of customers.

  - Expanded partnerships and enhanced sales channels

On April 16, Dai-ichi Life acquired 100% of the shares of Alpha Consulting Co. Ltd., an independent agency selling a range of insurance products. With this strategic move we are aiming to strengthen our capabilities in product development for agency channels to capture customers who prefer to compare multiple insurance products before purchase.

On April 23, Dai-ichi Life Holdings and Rakuten Life Insurance agreed on a business alliance. Targeting online shop owners in the Rakuten Market, Neo First Life will develop insurance products to be introduced through Rakuten Life's sales organization. We are also considering collaboration for new product and service development by combining the resources of the Rakuten Group and the Dai-ichi Life Group.

Overseas Life Insurance Business & Asset Management Business Pursuing Further Synergies

For the overseas life insurance business, we are pursuing for further global synergies within the Group. Leveraging on expertise of Dai-ichi Life Vietnam to pursue business opportunities in Mekong Region could be one way to realize such synergy. In asset management business we anticipate further profit contribution from closer collaboration of Asset Management ONE and Janus Henderson through cross-selling of highly competitive products. Even further synergies are expected by sharing the expertise of the two asset managers with life insurance Group members.

3. Final Comments from the President

Despite major changes in the business environment we aim to create value through consistently addressing social issues, and have accelerated growth by transforming ourselves. As a result of such efforts, our group profit periodically increased from the level of tens of billions at the time of our listing to the level of 100 billion yen, and most recently increasing to the 200 billion yen level. During CONNECT 2020, our growth phase will shift from the “expand and diversify our business foundation” phase to “organic growth by leveraging our global business foundation” phase. We consider the changing business environment an opportunity for further growth. During the next Medium-term Management Plan, the Group is determined to forge the future through innovation, accomplish strategies to strengthen our management foundation, and continue to create value. We appreciate your continued support.

（Please refer to the following review of our results of operation）

Review of the Group Financial Results for the Fiscal Year Ended March 31, 2018

Consolidated Financial Results Highlights

(billions of yen unless otherwise noted) (Reference)

	Year ended Mar-17	Year ended Mar-18 (a)	Change		Forecast for year ending Mar-18 (b) *Announced on February 14, 2018	(a/b)
Ordinary revenues	**6,456.7**	**7,037.8**	**+ 581.0**	**+ 9%**	**6,715.0**	**105%**
Ordinary profit	**425.3**	**471.9**	**+ 46.6**	**+ 11%**	**472.0**	**100%**
Net income (Note)	**231.2**	**363.9**	**+ 132.6**	**+ 57%**	**351.0**	**104%**

(Note) Net income represents net income attributable to shareholders of parent company.

1. Consolidated Results Highlights

Consolidated ordinary revenues increased by 581.0 billion yen year-on-year. Dai-ichi Life's premium income decreased as a result of controlled sales of savings-type products. On the other hand, premium income of other Group companies increased, reflecting favorable sales performance.

Ordinary profit increased by 46.6 billion yen. Dai-ichi Life's profit increased significantly due to improvements in both positive spread and net capital gains. Dai-ichi Frontier Life's ordinary profit decreased marginally year-on-year but significantly above forecast. The decrease was due mainly to a reversal of policy reserves related to market value adjustments reflecting rising interest rates recorded in the previous fiscal year and a heavier corporate tax burden. In overseas life insurance business, profit declined year-on-year due to the absence of one-time factors that had a positive effect on profit during the previous year. However, results were in line with our forecast.

Net income attributable to shareholders of parent company (or consolidated net income) increased by 132.6 billion yen. In addition to the favorable performance of Dai-ichi Life, the Group recorded a share exchange gain on the Janus Henderson merger of 33.5 billion yen. These factors had a larger positive impact on profit than the gain on change of equity totaling 12.4 billion yen in relation to the reorganization of Asset Management One recorded during the previous year. In addition, Protective recorded one-time profit of 90.1 billion yen associated with reduction of US corporate tax rates.

Group Companies' Financial Results

	【Dai-ichi Life】(1) billions of yen			【Dai-ichi Frontier Life】 billions of yen			【Protective Life (USA)】(2) millions of USD			【TAL (Australia)】(2) millions of AUD			【Consolidated】 billions of yen		
	Year ended Mar-17	Year ended Mar-18	Change	Year ended Mar-17	Year ended Mar-18	Change	Year ended Dec-16	Year ended Dec-17	Change	Year ended Mar-17	Year ended Mar-18	Change	Year ended Mar-17	Year ended Mar-18	Change
Ordinary revenues	3,946.7	3,791.9	(4%)	1,183.2	1,809.4	+53%	8,873	9,772	+10%	3,574	3,769	+5%	6,456.7	7,037.8	+9%
Ordinary profit (loss)	281.8	358.8	+27%	63.7	60.8	(5%)	594	435	(27%)	211	199	(6%)	425.3	471.9	+11%
Net income (3) (loss)	117.1	169.9	+45%	50.2	37.0	(26%)	393	1,106	+182%	148	128	(13%)	231.2	363.9	+57%

(1) In relation to the shift to a holding company structure, results of Dai-ichi Life for the nine months ended December 2016 are the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April and September, 2016 and current Dai-ichi Life results between October and December, 2016.

(2) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life Holdings' disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=101.12 yen (Sep-16) and 112.73 yen (Sep-17), 1 AUD=84.36 yen (Dec-16) and 88.17 yen (Dec-17), respectively.

(3) Figures of "Consolidated Net income" represent those of "Net income attributable to shareholders of parent company".

2. Financial Results of Component Group Companies

[1] Dai-ichi Life

Dai-ichi Life's premium income decreased as a result of limiting sales of savings-type products. On the other hand, profit was up due to an increase in income from interest and dividends led by favorable stock market conditions as well as an improvement in investment returns.

[2] Dai-ichi Frontier Life

In addition to product revisions and the introduction of new products, Dai-ichi Frontier Life has expanded sales channels both inside and outside the Group. These efforts resulted in accelerated premium income growth.

Operating profit is also improving as a result of accumulation of in-force policies following sales growth. Netting of gains and losses related to market price adjustments pushed up the profits of the previous year due to the rise in interest rates at the end of 2016, but this year negatively impacted earnings as compared to the previous year, as the rise in interest rates remained relatively small. In addition, an increase in provision for risks accompanying an increase in sales of products denominated in foreign currencies and a decrease in tax loss carry forwards from the previous fiscal year and an increase in corporate tax burden resulted in a decline in profit.

[3] Protective Life

Sales across each segment continued to be favorable overall. As for the Life Marketing segment, favorable sales of universal insurance continued. In the Annuities segment, sales of variable annuities remained slow because individual agents were cautious towards their sales activities in light of expected regulatory changes relating to the distribution of financial products.

Pre-tax adjusted operating income increased marginally year-on-year. The Stable Value segment benefited from a combination of higher account balances and improvement in investment income. For the Life Marketing and Annuities segments, there was a positive impact from a favorable year-on-year comparison of the impact of deferred acquisition costs (DAC) unlocking after a revision to the assumptions applied for calculating future profit. Earnings from the Acquisitions business were down due to expected runoff of in-force blocks business. Single-premium immediate annuities benefits increased compared to the previous year and had a negative impact on the Annuities segment. However, with respect to the overall business, earnings followed an upward trend.

Net income increased significantly as the company recognized a tax benefit of $797.6 million due to the impact of the Tax Reform Act.

[4] TAL

In the Australian market a major industry reorganization has been taking place. As a result, new business of individual insurance struggled due to competitive pricing within the industry. However, because TAL entered into contracts with a number of new partners in the Group business during the first quarter, TAL's ANP from policies in-force increased by 7% compared to the end of the previous fiscal year.

Ordinary revenues were driven by an increase in premium income of 8% year-on-year as sum insured of policies in-force accumulated. We cannot be optimistic about income protection claim experience in light of the economic environment but because of efforts to control costs and price revisions in the individual segment, the company recorded a 2% improvement in underlying profit. Net income declined by 13% year-on-year due to factors including unfavorable investment income compared to the previous year.

3. Group Sales Results

The following sections describe the sales results of the Group.

Dai-ichi Life was faced with a two-digit percentage decline because sales of single-premium whole-life insurance were suspended and sales of level-premium individual annuities slowed down. However, flagship protection-type products sales were favorable due to introduction of new product features coinciding with the change in assumed rates of return in April and adjustments to the compensation system for sales representatives to promote sales of protection-type products. Dai-ichi Frontier Life recorded a two-digit percentage increase with the introduction of new features to foreign currency-denominated annuities and the launch of new products supported by strong sales of these products by Dai-ichi Life sales representatives. Sales for Neo First Life were significantly up with the introduction of a new product designed for business owners through Dai-ichi Life's agent channels in March.

The new product "JUST" launched late March from Dai-ichi Life is performing better than expected and the "health check-up discount" is being applied as planned.

In the overseas life insurance business, Protective Life's sales of fixed annuities expanded due to pricing changes. However, sales of variable annuities continued to struggle. As for TAL, because of competitive pricing within the industry, there was a slowdown in sales of certain individual insurance products. New sales grew substantially, however, as a result of the company obtaining a number of new contracts in the Group Life business. Dai-ichi Life Vietnam continued to perform favorably due to strong sales by independent agents together with the contribution to sales from concession channels.

(billions of yen)

	New Business ANP			ANP from Policies In-force		
	Year ended Mar-17	Year ended Mar-18	Change	As of Mar-17	As of Mar-18	Change
Dai-ichi Life	196.1	111.2	▲ 43.3%	2,147.2	2,145.8	▲ 0.1%
Third sector	60.2	73.2	+ 21.5%	606.3	647.9	+ 6.9%
Dai-ichi Frontier Life	174.1	193.4	+ 11.1%	712.7	730.0	+ 2.4%
Neo First Life	1.5	14.7	+ 823.9%	5.3	19.6	+ 267.5%
Protective Life (1)	35.3	36.6	+ 3.7% (+ 6.9%)	510.7	498.1	▲ 2.5% (+ 0.5%)
TAL	21.8	32.2	+ 47.5% (+ 55.0%)	229.0	235.2	+ 2.7% (+ 8.0%)
Dai-ichi Life Vietnam (1)	11.6	18.1	+ 56.3% (+ 59.4%)	28.3	42.2	+ 49.1% (+ 52.1%)
Dai-ichi Life Group	440.7	406.4	▲ 7.8%	3,633.4	3,671.1	+ 1.0%

4. Solvency Margin Ratio

The solvency margin ratio is one of many administrative control measurements of an insurance company's "solvency" against risks which could materialize beyond the normal course of business.

Dai-ichi Life's solvency margin ratio was 881.8% as of March 31, 2018. The solvency margin ratio improved from 850.5% as of the end of the previous fiscal year, reflecting an increase in unrealized gains supported by rises in stock prices, securing a sound and robust financial foundation. The consolidated solvency margin ratio of the holding company was 838.3% as of March 31, 2018.

5. Group Embedded Value

Dai-ichi Group (billions of yen, %)

	As of Mar-17	As of Mar-18	
EEV of the Group	5,495.4	6,094.1	+598.7

Embedded value represents the corporate value of insurance companies and is the combination of accumulated realized profits and the present value of future profits from existing policies in-force.

Group EEV as of March 31, 2018 was approximately 6 trillion yen, an increase of approximately 598 billion yen from March 31, 2017. This was due to securing new policies and improvements in the financial environment, such as the rise in foreign and domestic stock prices.

6. Earnings Guidance

We expect a decrease in revenues and profit for the fiscal year ending March 2019. The main factor for the decrease is the absence of one-time factors recorded in fiscal year ended March 2018, which include interest and dividend income in light of improvements in the economic environment at Dai-ichi Life, a one-time increase in profit at Protective associated with the U.S. corporate tax rate reduction and a share exchange gain on the Janus Henderson merger. For Dai-ichi Frontier Life, we are expecting deterioration of MVA related gains based on the unfavorable financial environment. On the other hand, for our overseas life insurance business, we expect an upward trend in earnings due to positive effects from U.S. corporate tax rate reduction and the acquisitions business, together with favorable sales performance. Even though we expect a decrease in revenues and profit, Group Adjusted Profit on which the Group bases shareholder payout, is expected to increase to 230 billion yen from the run rate profit level of approximately 210 billion yen in fiscal year ended

Consolidated Earnings Guidance

(billions of yen)

	FY Mar-18 (Actual)	FY Mar-19 (Forecast)	Change
Ordinary revenue	7,037.8	6,429.0	(608.8)
Ordinary income	471.9	414.0	+46.7
Net income	363.9	220.0	+119.7
Group Adjusted Profit	243.2	230 c.a.	(13.2)

(yen)

	FY Mar-18 (Actual)	FY Mar-19 (Forecast)	Change
Net income per share	310.69	188.87	(121.82)
Dividends per share	50	53	+3

(Note) Figures of "Net income" represent those of "Net income attributable to shareholders of parent company. Per share data uses the number of shares outstanding excluding treasury stock which include shares of common stock of the Company owned by the Stock Granting Trust (J-ESOP trust).

March 31, 2018. We expect dividends per share of 53 yen, an increase of 3 yen.

Summary Consolidated Statements of Earnings and Balance Sheet

(billions of yen)

	Year ended Mar-17	Year ended Mar-18	Change
Ordinary revenues	6,456.7	7,037.8	+581.0
Premium and other income	4,468.7	4,884.5	+415.8
Investment income	1,626.1	1,802.6	+176.4
Interest and dividends	1,107.7	1,197.3	+89.5
Gains on sale of securities	223.7	236.7	+12.9
Gains on investments in separate accounts	115.7	127.4	+11.7
Other ordinary revenues	361.8	350.6	(11.2)
Ordinary expenses	6,031.4	6,565.8	+534.3
Benefits and claims	3,618.3	3,789.9	+171.5
Provision for policy reserves and others	1,016.7	1,223.8	+207.1
Investment expenses	342.1	548.9	+206.8
Losses on sale of securities	94.2	115.9	+21.6
Losses on valuation of securities	27.1	4.7	(22.4)
Derivative transaction losses	29.4	78.9	+49.4
Foreign exchange losses	73.7	245.2	+171.5
Operating expenses	650.9	661.1	+10.1
Ordinary profit	425.3	471.9	+46.6
Extraordinary gains	17.4	34.1	+16.6
Extraordinary losses	47.4	34.4	(13.0)
Provision for reserve for policyholder dividends	85.0	95.0	+10.0
Income before income taxes, etc.	310.3	376.7	+66.3
Total of corporate income taxes	79.0	12.8	(66.2)
Net income attributable to non-controlling interests	0.0	-	(0.0)
Net income attributable to shareholders of parent company	231.2	363.9	+132.6

(billions of yen)

	As of Mar-17	As of Mar-18	Change
Total assets	51,985.8	53,603.0	+1,617.1
Cash, deposits and call loans	980.4	1,055.8	+75.4
Monetary claims bought	198.2	195.1	(3.1)
Securities	43,650.9	44,916.9	+1,265.9
Loans	3,566.6	3,487.6	(78.9)
Tangible fixed assets	1,138.4	1,130.5	(7.8)
Deferred tax assets	0.1	1.2	+1.0
Total liabilities	48,848.5	49,853.7	+1,005.1
Policy reserves and others	44,694.1	45,513.7	+819.6
Policy reserves	43,740.2	44,597.7	+857.4
Bonds payable	989.7	968.9	(20.8)
Other liabilities	1,852.0	1,998.1	+146.1
Net defined benefit liabilities	421.5	413.1	(8.3)
Reserve for price fluctuations	174.6	195.7	+21.1
Deferred tax liabilities	324.4	357.8	+33.3
Total net assets	3,137.2	3,749.2	+612.0
Total shareholders' equity	1,300.7	1,589.6	+288.8
Total accumulated other comprehensive income	1,835.2	2,158.3	+323.0
Net unrealized gains on securities, net of tax	1,906.0	2,238.1	+332.0
Reserve for land revaluation	(17.5)	(12.4)	+5.1

(Note) The following items include items that are offset by provision for (reversal of) policy reserves and unrealized gains (losses) on investments. There is impact of Gains (losses) but they do not have a significant impact on business results. (Gains or losses on investments in separate accounts, foreign exchange gains or losses, derivative transaction gains or losses.)

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